GOVERNMENT OF INDIA
NON-CONVENTIONAL ENERGY SOURCES
LOK SABHA

UNSTARRED QUESTION NO:3346
ANSWERED ON:12.05.2006
REFUSAL TO SANCTION LOAN BY REC .
Gandhi Smt. Maneka

Will the Minister of NON-CONVENTIONAL ENERGY SOURCES be pleased to state:

(a) Whether the Government is aware that Rural Electrification Corporation (REC) has refused to sanction term loan directly to non-conventional small power projects; and

(b) If so, the details thereof and the reasons therefor;

Answer

MINISTER OF STATE OF THE MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES (INDEPENDENT CHARGE) (SHRI VILAS MUTTEMWAR)

(a) & (b): The Rural Electrification Corporation has so far financed 51 small non-conventional energy based power projects. Projects are sanctioned on the merits of each case. However, as per a special study commissioned to devise proper appraisal process, M/s CRISIL have suggested that small generation projects in private sector having a capacity of upto 10 MW need to be financed through the route of refinance and not directly. Since then, REC has not funded such projects. Financing decentralized distributed generation projects (both off-grid as well as grid connected) under a new, separate policy has also been proposed.